

Additional Information on Performance Metrics
February 23, 2004

DEPARTMENT OF CORPORATIONS

The California Department of Corporations' mission is: 1) to provide businesses with a financial services marketplace that is transparent, cost-effective and efficient; 2) to open the door to financial security for all Californians by educating vulnerable populations about the risks and rewards of investing; and 3) to administer and rigorously enforce the laws of the state, ensuring that all of California's financial services consumers enter the marketplace with confidence.

I) **Investment Program's Broker-Dealer and Investment Adviser Examination Section**

- A) ***Describe the function and activities of the program, and how they relate to the department's primary mission.*** The investment program promotes efficient capital formation in California by protecting investors in securities and franchise investment transactions, thereby assuring that California's financial services consumers enter the marketplace with confidence. The exam program supports this by conducting audits of companies and persons subject to licensing under these laws to ensure compliance with the laws. Exams are conducted of broker-dealers, broker-dealer branch offices and investment advisers.
- B) ***Describe the program's goals/expected outcomes.*** The program's goal is to reduce abusive sales practices by agents, broker-dealers and investment advisers in order to facilitate a safer, more efficient financial marketplace for California's investing public and businesses.
- C) ***Broker-Dealer and Investment Adviser Exam Budget:***

\$4.8 million, 42.4 PYs

(Includes BD/IA exam program's share of allocated administration.)

Compare to other states, including TX, FL, AZ, OR, NM, and WA.

A short telephone survey was made of the states listed above to assess whether any of these states' programs could potentially provide a comparable benchmark against which to gauge California's level of service and efficiency. The states surveyed varied widely in terms of numbers of licensees, provisions of the laws, numbers of examiners, exam methods, protocols and frequency, structural organization of the regulatory agency and funding. None of the states were able to provide enough detail on

program costs to make any meaningful comparison. However, when license fees are compared, California's first-time license fees rank close to the middle, with two other states a bit lower. California's annual broker-dealer renewal was the lowest at \$75 per year (along with Washington state). California completed a greater number of exams per year than any of the other states surveyed, at the same time completing the highest number of exams per field examiner. Florida, which comes the closest to having as large a number of licensees and agents as California, has 48 field examiners to California's 15 but completed far fewer exams per year. Although no firm conclusion can be drawn from this fact, it is an indicator that California is doing more with fewer examiners.

D) *Identify the program's primary and [if applicable] secondary customers, and explain how customer satisfaction is measured.*

The Investment Program's primary customer is California's investing public. The department's licensees are the secondary customers. While the department does not formally measure the satisfaction of its primary customers for broker-dealer and investment advisers exams, any dissatisfaction is monitored through the complaint process, toll-free number and the customer survey form on the department's website. Relatively few complaints filed have related to the department itself; instead they mostly related to the licensees or non-licensed individuals and other issues that are not within the department's jurisdiction.

Customer satisfaction is also reflected in the public's willingness to participate in the investment marketplace. The growing numbers of licensed broker dealers and investment advisers would indicate that is occurring otherwise there would not be a demand for their services.

Complaints received from our secondary customers, the licensees themselves, also indicate satisfaction/dissatisfaction with the department's service. Again, there are a consistently small number of complaints from licensees about department processes. Out of several thousand complaints received annually, only the following were about the department's broker-dealer or investment adviser exams.

Web Complaints about the BD/IA exam program: 1 in a 1-year period.
Telephone/letter complaints (most are exam billing disputes): 20-30 per year

E) *Describe the obstacles to achieving the program's goals/expected outcomes.* Restrictive budget, hiring difficulties, better pay incentives by other regulatory agencies (SEC & NASD), increase in numbers of licensees without corresponding increases in staff, inability to mandate licensees' participation in the Investment Adviser Registration Depository (IARD),

and inadequate training due to both lack of funding and the hardship created by having examiners out of the field for periods of time.

The state's often-arduous IT review, approval and funding process delays, or may outright obstruct, technology solutions that have potential for additional efficiencies.

Another issue relates the ability to increase the broker-dealer annual assessment amount from the minimum amount allowed by law of \$75 per year to an amount that would also more closely cover the cost of the exams. These sometimes very large companies are not billed for exams, while most of the department's other licensee groups (including one-person investment adviser firms) are, and they pay only \$75 per year total. While a fee increase is a policy decision, it does appear reasonable to consider a higher fee, given that some broker-dealer firms generate millions in revenue from California consumers.

- F) ***If an activity interferes with the department's primary mission, explain how it does so and why the activity is performed.*** N/A
- G) ***Metric:*** Number of Exams, Broker-Dealers, Broker-Dealer Branches, and Investment Advisers
- H) ***Explain how the metric demonstrates the department's success in accomplishing its mission, how the metric is linked to program outcome.*** Routine regulatory exams allow the program to review sales practices by agents, broker-dealers, and investment advisers. As problem broker-dealers and agents are found, enforcement action will be initiated. An increase in the number of exams results in the department finding problem firms, who jeopardize Californians' investments thereby degrading the integrity of the financial marketplace and the confidence of the investing public and businesses seeking capital.
 - 1) ***Explain who uses the metric and how the metric results are used to make program decisions and/or changes necessary to better accomplish the department's mission.*** Number of exams per year is used by management as one indicator of program efficiency but only within the context of other information, such as the results of risk analysis, number of available examiner hours, and number of more lengthy non-routine exams that year. Exam results are used to better focus resources so the firms that pose a higher risk are examined more frequently.
 - 2) ***Explain how changes in the activities/outputs measured by the metric are entirely, or at least primarily, responsible for changes in the outcome, and/or identify other factors affecting the outcome.*** Conceptually, more routine regulatory exams find more harmful activities

that damage consumers and the marketplace. For example, non-routine exams have found instances of churning, fraud, and excessive fees. These violations were found because the department was out there looking at more firms. Reliance on customer complaints to conduct “for-cause” examinations is not sufficient and is often “after the fact” and not preventative.

- 3) ***Identify the target for the metric and explain how the target was developed.*** Our goal is to examine firms as follows:

Broker-Dealers, every 4 years

Branch Offices, as many as staffing permits.

IA firms, every 1–5 years, depending on whether they have custody or discretion of customers’ funds.

- 4) ***Explain the cause[s] of any fluctuation in the metric results.*** Please see the footnotes on Corporations’ original metrics charts.

II) **Lender-Fiduciary Program's Examination Section**

- A) ***Describe the function and activities of the program, and how they relate to the department's primary mission.*** The examination functions allow the department to assure consumers are protected while involved in financial service transactions. While, licensing activities include the review of an applicant's "track record", net worth, bonding and financial reporting requirements, examinations determine a company's continuing compliance with the law. Exams may result in changes to company practices and procedures and refunds to consumers. The licensing and examination process is limited to reviewing for those requirements noted in each law area and therefore is efficient and cost-effective for businesses.
- B) ***Describe the program's goals/expected outcomes.*** The program's goal is to ensure compliance with the law by licensed financial service providers and to reduce fraudulent and predatory practices in the financial services arena in order to facilitate a safer, more efficient financial marketplace. More companies doing business in California provides more choices to consumers and enhances business opportunities.
- C) ***Lender-Fiduciary Program Budget:***

\$7.1 million, 78.7 PYs

(Includes Lender exam program's allocated share of administration.)

Compare to other states, including TX, FL, AZ, OR, NM, and WA.:

A survey of several states to assess whether any could potentially provide a comparable benchmark against which to gauge California's level of service and efficiency was conducted. States' financial services regulatory agencies varied widely because of the differences in the laws from state to state and their resulting myriad of unique regulatory structures. In addition, there were wide variances in terms of numbers of licensees, funding, numbers of examiners, exam methods, protocols and frequency of exams. Because of these vast differences, it was not possible to identify a truly comparable and useful benchmark(s) in the short timeframe allotted. Considerably more time and effort would be required to conduct a nationwide search for laws that are most similar to our own and then identify benchmark states by individual law. If requested, the department can continue a more detailed survey.

- D) ***Identify the program's primary and [if applicable] secondary customers, and explain how customer satisfaction is measured.*** California consumers and businesses operating in California are the department's primary and secondary customers.

The satisfaction of the primary customer is monitored through the complaint process, toll-free number and the customer survey form on the department's website. Relatively few complaints filed have related to the department itself; instead they mostly related to the licensees or non-licensed individuals and other issues that are not within the department's jurisdiction. Of the 1,150 written complaints received by the Financial Services Division (which administers the Lender-Fiduciary exam program) in calendar year 2003, only 12 related to the exam program. Only 4 complaints about the department's processes were submitted via the website "satisfaction" form in a one-year period.

To measure the satisfaction of the licensed businesses (secondary customers), surveys are mailed each week to 1/3 of the licensees after a regulatory examination is completed. The survey allows the company to rate the examiner's performance, the service that was provided and overall experience. The survey also requests recommendations for service-related improvement. In calendar year 2003 the Financial Services Division mailed 190 surveys with 56 being returned. Of the 56 returned 50 contained positive comments, 3 contained recommendations regarding exam processes, and 3 were negative. All surveys with negative comments are reviewed and appropriate action is taken. Recommendations are discussed internally and with the industry advisory committees.

- E) ***Describe the obstacles to achieving the program's goals/expected outcomes.*** In general, a restrictive budget, difficulties in hiring, better pay incentives by other regulatory agencies, increase in numbers of licensees without corresponding increases in staff, and inadequate training due to both lack of funding and the hardship created by having examiners out of the field for periods of time.

The department cannot fully incorporate its risk-based analysis to meet program goals since there are insufficient examiners to conduct examinations of high-risk companies. Routine examinations are therefore pushed back. The examination cycle is extended, thereby violations of the law are detected at a later date and more consumers are more greatly impacted. For example, overcharges occur and proper disclosures pertaining to a transaction are not provided.

In addition to the above impact, further staff reductions will likely result in delays in application review and issuing licenses, which delays the applicant company's ability to operate.

Information Technology: The state's often-arduous IT review, approval and funding process delays, or may outright obstruct, technology solutions that have potential for additional efficiencies.

Training: In response to constant change in the lending industry, both federal and state legislatures are sponsoring new predatory lending bills. In order to keep our examiners current constant training is required. Unfortunately, our training budget limits training to just a few examiners each year. Most examiners go years before attending a single class to update their skills. An examiners' expertise in the area they are assigned to directly impacts their ability to conduct an examination.

F) ***If an activity interferes with the department's primary mission, explain how it does so and why the activity is performed.*** N/A.

G) ***Metric:*** Number of exams

Metric: Amount of refunds to consumers

- 1) ***Explain how the metric demonstrates the department's success in accomplishing its mission, how the metric is linked to program outcome.*** Regulatory exams allow the program to review the practices of the lenders and escrow companies. As problem companies are found, administrative and enforcement action is initiated. An increase in the number of exams results in the department finding problem companies, who jeopardize California consumers thereby degrading integrity of the financial marketplace and the confidence of the public and other business seeking to do business here.

Examination goals relate to statutory requirements and analysis developed by the department. By using a risk-based rating system and staying within a four-year mandated cycle, the department is able to concentrate on those businesses that may cause a risk to a consumer using their services. Companies with limited or no risk are examined less frequently and are able to lower their examination costs. Using risk-based analysis to determine when a company will be examined allows the department to use staff efficiently and both the consumer and the licensee benefit.

- 2) ***Explain who uses the metric and how the metric results are used to make program decisions and/or changes necessary to better accomplish the department's mission.*** Number of exams per year is used by management as one indicator of program efficiency but only within the context of other information, such as the results of risk analysis, number of available examiner hours, and number of more lengthy non-routine exams that year. Exam results are used to better focus resources so companies that pose a higher risk are examined more frequently.

The numbers and amounts of refunds also address effectiveness of exam procedures and the examiners' ability to note violations. Based on this

information, changes can be made to the exam procedures to focus on problem areas

- 3) ***Explain how changes in the activities/outputs measured by the metric are entirely, or at least primarily, responsible for changes in the outcome, and/or identify other factors affecting the outcome.***

Since we are aware that our exams result in violations being noted, refunds being made and possibly enforcement activity we can say that more exams provide more consumer protection. Also, conducting examinations is a deterrent. Companies are aware that their activity will be monitored and they are also made aware of enforcement actions taken against other licensees. This provides incentive for companies to bring themselves into compliance.

- 4) ***Identify the target for the metric and explain how the target was developed.*** The targets for number of exams follows:

Finance Lenders: No less frequently than every 4 years

Mortgage Bankers: Average every two years, depending upon the results of the risk analysis.

Escrow Companies: Average every 2.4 years, depending upon the results of the risk analysis.

In order to determine an Escrow Company's or Mortgage Banker's examination cycle the department:

- initially computes an examination cycle from a risk assessment based upon violations found during the last examination;
- modifies the cycle for administrative issues since the prior examination, and
- assigns examinations earlier than planned when complaints warrant it.

- 5) ***Explain the cause[s] of any fluctuation in the metric results.*** Please see footnotes on the metric charts provided.

Any special investigation that requires more time than projected will change the results. During calendar year 2003 the Financial Services Division conducted several non-routine exams based on consumer complaints. The department found serious violations during two of these exams and, as a result, conservators were appointed to take over the escrow firms and safeguard clients' trust fund accounts. In both cases, the department's examiner staff continues to work on the assignment even after a conservator is named.

On February 27, 2003, the Department issued orders to freeze the escrow trust bank accounts of NLCS Escrow Services, Inc. (NLCS), took

possession of the accounts and assets of NLCS and appointed a conservator. In April of 2003 the exam report was completed and the department filed a claim with the Escrow Agents' Fidelity Corporation (EAFC) to recover trust funds lost due to embezzlement and processing errors. EAFC paid the claim and on August 15, 2003, the Department approved the conservator's request to distribute 90% of the escrow trust funds to the claimants. A second and final payment will be made later this month. As a result of the department's efforts, claimants will receive 99% of the trust fund balances.

The department issued orders freezing the trust accounts and taking possession of The Escrow Source, Inc. (TES) and appointing a conservator on June 23, 2003. This action was taken after the examiner found a \$ 2.4 million shortfall in the firm's trust accounts. The cost of the conservator, the certified public accountant (CPA) hired to reconcile the trust accounts and the firm's other expenses quickly exhausted TES' operating funds. In an effort to move ahead in the process without using trust funds to cover expenses, the department chose to take over the conservator role in October 2003. The trust fund account was reconciled in December 2003 and the claims process was initiated. A 60% fund distribution, totaling over \$1.9 million, was made in mid-January. Another 20% distribution is anticipated by the end of March 2004. Examiner staff continue their work on the EAFC claim to recover trust funds lost due to embezzlement or misappropriation.

III) Seniors Against Investment Fraud (SAIF) Program

- A) ***Describe the function and activities of the program, and how they relate to the department's primary mission.*** The SAIF Program is a statewide public outreach campaign to provide information to as many of the 8.5 million Californians aged 50 and above as possible about how to spot, stop, and avoid being targets and victims of telemarketing and investment fraud. One of the primary missions of the department is educate vulnerable populations about the risks and rewards of investing. People over the age of 50 are the most vulnerable population to fall prey to investment and telemarketing fraud schemes. SAIF has determined that the average loss to investment fraud alone per victim is between \$12,500 and \$25,000. It is estimated that as many as 70% of California seniors have been targeted by fraudulent or inappropriate investment schemes.
- B) ***Describe the program's goals/expected outcomes.*** The SAIF Program goals are:
- 1) Raising awareness that seniors are the primary targets for fraud;
 - 2) Providing the prevention tips necessary to avoid being victimized;
 - 3) Serving as the first resource for seniors to call BEFORE they invest;
 - 4) Giving seniors the facts, red flags, and scam warnings so they can protect their assets and prevent victimization.
- C) ***SAIF Program Budget:*** Funding to Department of Corporations is from the U.S. Department of Justice Byrne Fund grant, administered by the state Office of Emergency Services. (Originally by OCJP.)
- \$400,000 annually, 1.0 PY and network of senior volunteers
- Compare to other states:*** Although a few other states contacted stated they had investor education type programs, the programs are small and diffused. The SAIF program is unique and is being held as a national model by the North American Securities Administrators Association.
- D) ***Identify the program's primary and [if applicable] secondary customers, and explain how customer satisfaction is measured*** The program serves one of the most vulnerable populations in the state (ages 50 and above) and all entities involved in serving this specific population. Secondary customers are law enforcement agencies and various adult protective agencies and services who are informed by the program and become part of the investment fraud information network. Customer satisfaction is measured by the feedback we receive from our SAIF presentations, analysis of our presentation survey sheets, and verbal comments received through the SAIF program and Corporations' Client Resource Call Center. The program has become widely known and the

project director and consultants are constantly sought after to give presentations at events.

- E) ***Describe the obstacles to achieving the program's goals/expected outcomes.*** The program has not experienced any major obstacles. The program approach has been very efficient at reaching a large number of people with limited resources. However, with additional funding the program would be able to improve outreach by producing and distributing more helpful printed materials and videos that have been cost-prohibitive within the limited funding received so far.
- F) ***If an activity interferes with the department's primary mission, explain how it does so and why the activity is performed.***

Not applicable.

- G) ***Metric:*** Number of outreach presentations at events.
Metric: Number of packets distributed across California.
Metric: Attendees at presentations and events.

- 1) ***Explain how the metric demonstrates the department's success in accomplishing its mission, how the metric is linked to program outcome.*** The above three metrics are all indicative of how many seniors are receiving information to protect themselves from scam artists. Prior to the SAIF Program, very little educational outreach on investment and lending fraud prevention was being provided by governmental agencies or other entities. If older Californians and their families were aware at all, they had to gather information piecemeal and did not have one place to turn to receive critical information necessary to make safe decisions about investing their money. SAIF, through its outreach and the 1-800 number has been able to provide one place to go to check out the credibility of the investment before making it.
- 2) ***Explain who uses the metric and how the metric results are used to make program decisions and/or changes necessary to better accomplish the department's mission.*** Metrics collected are used to evaluate the performance of the contractors, including ensuring their outreach efforts are providing sufficient coverage of the state. Numbers also provide management with information needed to direct the contractors' efforts.
- 3) ***Explain how changes in the activities/outputs measured by the metric are entirely, or at least primarily, responsible for changes in the outcome, and/or identify other factors affecting the outcome.***

Prior to the SAIF Program's inception, the department did not have the resources to "proactively" reach seniors who we knew were often targets.

Rather, the approach had to be “reactive”. The department received incoming inquiries and complaints after seniors had invested, and only after they believed they had been defrauded. Since SAIF began, older persons who contacted SAIF first before investing have saved in excess of \$10 million in potentially bad investments, having determined the particular investment product they were considering was not properly registered or in their best interest. Some of the investments represented these persons’ life savings. This is clearly an indicator that the program has reached its intended beneficiaries and has empowered them with information that ultimately strengthens California’s financial marketplace.

4) ***Identify the target for the metric and explain how the target was developed.***

There is no specific target for the metrics. The goal is to continue to reach as many of the 8.5 million older Californians as possible through the expanding network of volunteers and cooperative agencies. The SAIF Program utilizes volunteers to teach their peers fraud prevention at the grassroots level. Currently, we have enlisted and trained over 1,800 volunteers to serve the program. Although we have exceeded our target goal of 1,500 volunteers, we would like to increase this number, and include volunteers who can specifically reach various ethnicities.

5) ***Explain the cause[s] of any fluctuation in the metric results.*** N/A.

IV) Consumer Services Office – 1-800 Number

- A) ***Describe the function and activities of the program, and how they relate to the department's primary mission.*** In 2002 the Department of Corporations created a new division, the Consumer Services Office, centralizing incoming calls into a call center utilizing a toll-free number. Capitalizing on existing resources, an off-the-shelf telephone management information system through PacBell, and modification of an existing complaint database, the department for the first time in its history has been able to track the number and types of consumer calls coming into the department and provide centralized preliminary intake for consumer complaints.
- B) ***Describe the program's goals/expected outcomes:*** The goal has been to consolidate all public and licensee (client) calls to the department into a central information clearinghouse "call center" providing program information to the range of department clients and the public. The expected outcome is better, more efficient service to department customers, including consumers and clients. With call center agents providing basic information on the department's programs and laws, redirecting misplaced callers to the appropriate resource, and performing initial intake for consumer complaints, Corporations' program staff are freed up to focus on critical regulatory functions. The call center is also providing more consistent and timely responses to public and client inquiries.

In addition, call center procedures have streamlined the complaint process, which also provides for more efficient use of program staff time. Through creative application of new and existing technology the department has been able to achieve greater efficiency with existing resources.

- C) ***Call Center Budget:*** \$425,000, 5.9 PYs
- D) ***Identify the program's primary and [if applicable] secondary customers, and explain how customer satisfaction is measured*** The program's primary customers are consumers, with the secondary customers being the department's licensees. Call center agents not only take complaints for the department as a whole, but also receive immediate feedback from callers about their satisfaction with call center service. Callers have communicated both in writing and by telephone their appreciation for information received in a timely manner; however, the department is not aware of any negative complaints coming in about call center service. Our experience has been that when people can speak to a live agent instead of pushing buttons they are very appreciative of what information they receive.

- E) ***Describe the obstacles to achieving the program's goals/expected outcomes.*** The main obstacle to achieving the program's goals is the lack of resources to invest in call center technology that would allow the department to gather more meaningful call data. It could also allow for two-way communication between the public at large and the department's licensees. The data we are able to capture through an off-the-shelf telephone management system is very limited. We can see an increased level of client and public awareness through increases in calls; however, with the current setup we cannot glean more specific statistics or be certain of the level of consumer satisfaction.
- F) ***If an activity interferes with the department's primary mission, explain how it does so and why the activity is performed.*** N/A
- G) ***Metric:*** Average monthly calls received
- 1) ***Explain how the metric demonstrates the department's success in accomplishing its mission, how the metric is linked to program outcome.*** The metric indirectly demonstrates the department's success in accomplishing its mission. The number of calls has increased and the department takes this as an indication that consumers have better access to the information that will help them navigate California's financial marketplace more safely and easily.
 - 2) ***Explain who uses the metric and how the metric results are used to make program decisions and/or changes necessary to better accomplish the department's mission.*** Summary call center data is provided to the department's executive and program management. The statistics are grouped into general topical categories, which provide an indication of the type of calls and subject matter. This can be used to assess areas of public interest and need for information, identify impact of public information releases, and anticipate workload trends. The caller mix and information from the callers is used to make appropriate changes to department and program processes.
 - 3) ***Explain how changes in the activities/outputs measured by the metric are entirely, or at least primarily, responsible for changes in the outcome, and/or identify other factors affecting the outcome.*** Increases (or decreases) in calls do not directly guarantee that the desired outcome is achieved. However, it follows that if more consumers/licensees are calling, then more are receiving helpful information. This conclusion can be made provided the agents' service quality remains high. In addition, we know the call center introduced efficiencies within the department that have indirectly resulted in better customer service because when program staff are relieved from handling misdirected and routine informational calls, they are able to focus more time on activities directly related to the department's mission. From the call disposition

information below, it can be deduced that program staff were relieved from taking 13,806 calls or 76% of the calls that formerly went directly to staff assigned to other primary program responsibilities.

| | |
|------------------------------------|---------------|
| Total Calls Received* | <u>18,051</u> |
| Calls Referred to Govtl Agencies | 3,695 |
| Calls Forwarded to Program Experts | 4,245 |
| Calls Handled by Call Center Staff | 10, 111 |

* Calls recorded over 3-month period 11-1-03 through 1-30-04

It should also be noted that because the program is new and still developing, the increasing numbers of calls are probably the result of both increased level of public awareness and operational changes combined. With additional time to collect and analyze data and the ability to incorporate higher-level technology that links program data to existing call center statistics the department will be able to increase the meaningfulness of the call center metrics.

- 4) ***Identify the target for the metric and explain how the target was developed.*** There is no target number for incoming calls. The goal is to appropriately handle all calls that come in. Target numbers would result from data that measures the satisfaction of callers; however, the current technology does not allow for capturing this information.
- 5) ***Explain the cause[s] of any fluctuation in the metric results.*** Calls will fluctuate depending on the licensing schedules for each program within the department. For example, from March through April each year, Franchise Renewal applications are due. In addition, the department typically receives a greater number of calls from consumers and licensees from December through April, in preparation for filing income taxes. Public reaction to major enforcement actions by the department, department public informational campaigns and media stories will also cause fluctuations in data.

H) ***Metric:*** Average monthly calls referred to other governmental agencies.

- 1) ***Explain how the metric demonstrates the department's success in accomplishing its mission, how the metric is linked to program outcome.*** The metric indirectly demonstrates the department's success in accomplishing its mission. Part of the role of the call center is to serve as a clearinghouse to direct people to the appropriate agency for financial information. The department uses this number as an indication that consumers are being assisted even if their inquiries relate to another department's jurisdiction. The fact that this metric has decreased is taken to indicate that as the department continues to provide the

information needed to help consumers navigate through the array of state and other governmental services, they begin to learn where to go. In the three-month period November 2003 through January 2004, 18% of calls were referred to other agencies. By far the most calls are directed to Secretary of State; however, the number of calls that belong to Secretary of State has decreased significantly. This indicates that consumers are more often differentiating between the two jurisdictional areas and are understanding where to go for assistance.

The remaining responses to the metric questions are the same as Metric G., 2 through 5. Please see above.